



Dialysis & Nephrology DIGEST

A monthly report by Benesch on the Dialysis & Nephrology Industry

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Calendar of Events

AUGUST 24, 2023

RHA Webinar: Financial Reporting of Bad Debt and Charity Care

For information, please click [here](#).

SEPTEMBER 10–16, 2023

ANNA: 2023 Nephrology Nurses Week

For information, please click [here](#).

SEPTEMBER 13, 2023

ISN/ASDIN POCUS Webinar

For information, please click [here](#).

SEPTEMBER 22–24, 2023

10th Asian Pacific Chapter Meeting of the International Society for Peritoneal Dialysis

New Delhi, India

For information, please click [here](#).

OCTOBER 1, 2023

Peritoneal Dialysis University

For information, please click [here](#).

OCTOBER 4–6, 2023

2023 RHA Annual Conference

Memphis, TN

For information, please click [here](#).

OCTOBER 14–16, 2023

2023 ANNA Nephrology Nursing Practice, Management, & Leadership Conference

For information, please click [here](#).

NOVEMBER 11–14, 2023

American Medical Association Interim Meeting House of Delegates

For information, please click [here](#).

APRIL 14–17, 2024

ANNA National Symposium

Orlando, FL

For information, please click [here](#).

APRIL 25–27, 2024

OEIS 2024 Annual National Scientific Meeting

Las Vegas, NV

For information, please click [here](#).



Please contact us if you would like to post information regarding your upcoming events or if you'd like to guest author an article for this newsletter.

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August 3, 2023

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Nephrology and Dialysis

JULY 12, 2023

NY non-compete ban still receiving pushback as Governor waits to sign off

While NY Governor Kathy Hochul waits to sign off on one of the country's toughest bans on non-compete agreements, many lobby groups from the financial industry and other business associations are pushing the government to include some exceptions. Opponents take issue with the fact that the bill includes no exceptions whatsoever and note that four states, CA, MN, ND and OK, prohibit virtually all employee noncompete agreements but still allow for narrow exceptions in cases where there is an ownership stake involved when a business is sold. Employment lawyers also note that there exist a number of vagaries in the current language, including whether it can be applied to terms within non-solicitation or non-disclosure agreements or to deferred compensation, which often makes up a substantial proportion of finance workers' pay.

SOURCE: BNN Bloomberg

JULY 5, 2023

UNOS facing antitrust lawsuit in VA as feds explore changes to transplant process

Buckeye Transplant Services filed a lawsuit in federal court alleging the United Network for Organ Sharing (UNOS) risked patient safety by suddenly issuing new terms of use. According to Buckeye, UNOS has monopolized the operation of the Organ Procurement and Transplantation Network since the 1980s and with the federal government exploring a revamp of the process, the new terms of use appear to be an attempt to quell potential competition.

SOURCE: Law 360 (sub. rec.)

JULY 20, 2023

RPA analysis finds Medicare proposal will result in 1% payment cut to nephrologists

CMS is **proposing** a 1.25% reduction in payments under the Medicare Physician Fee Schedule next year and the Renal Physicians Association (RPA) says the news for nephrologists is that it'll be neutral to slightly negative for practitioners. It notes the 2024 conversion factor affecting all of medicine is proposed to be \$32.75, a 3.3% reduction, however the specialty-specific RVUs for nephrology will be reduced by 1%, all on the inpatient side. At the same time, RPA points out all of the outpatient and inpatient dialysis codes and evaluation and management codes will either stay the same or be slightly increased.

SOURCE: Healio (sub. rec.)

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Nephrology and Dialysis (cont'd)

JULY 13, 2023

Veteran board member Wendy Schoppert named as independent director at DaVita

[Wendy Schoppert](#) is already a board member at The ODP Corporation, Big Lots and Bremer Financial Corporation and was formerly a director at Hershey. She spent nine years as an executive at Sleep Number, rising to the role of EVP and CFO when she departed in 2014. Pam Arway, independent chair of the DaVita Board of Directors says Schoppert's corporate and board experience will have a positive impact on the company's governance and strategy.

SOURCE: DaVita

JULY 24, 2023

OH officials say DaVita subsidiary not eligible for nearly \$400K in tax relief

The Ohio Board of Tax Appeals [agreed](#) with the state's tax commissioner that Total Renal Care wasn't eligible to avoid paying \$393,000 in state business privilege taxes because it farmed out lab work and administrative services for its dialysis clinic to FL. The board ruled the gross receipts for dialysis care provided to OH residents mean the service falls under the state's tax covering commercial activity.

SOURCE: Bloomberg Law (sub. rec.)

JULY 14, 2023

Fresenius Medical Care converts to stock corporation; names CFO

Fresenius Medical Care (FMC) shareholders voted almost unanimously to change from a limited partnership to a regular stock corporation. The parent company says the move will simplify FMC's governance and Fresenius SE will become a regular minority shareholder, with a 32% stake in the dialysis provider. Meanwhile, FMC [named](#) longtime Siemens executive, [Martin Fischer](#) as CFO, beginning Oct. 1. He'll replace Helen Giza, who was appointed CEO and management board chair in Dec.

SOURCE: Fresenius Medical Care

August 3, 2023

Nephrology and Dialysis (cont'd)

JULY 25, 2023

Medtech Baxter International reveals proposed renal care business spinoff to be called Vantive

Baxter expects the spinoff of its renal care and acute therapies businesses will begin operation as a standalone company in July of next year. Chris Toth, EVP and group president for kidney care at Baxter will serve as the first CEO of [Vantive](#). The new company's branding will be unveiled later. Until the proposed separation is completed, the kidney care business will continue to operate under the Baxter moniker.

SOURCE: Baxter

JULY 27, 2023

U.S. Renal Care says debt refinancing lowers interest burden, enhances future growth

In May, the company closed a \$328-million capital raise to finance growth and expansion plans. The debt refinancing plan, which extends the maturities of term loans through June 2028, was signed off by 84% of U.S. Renal Care's term lenders. The remaining creditors are being offered to participate on the same terms. The company adds a majority of bondholders exchanged shorter-dated bonds for cash and longer-maturity term bonds. U.S. Renal Care predicts the debt refinancing will reduce its overall interest expenses by 20%.

SOURCE: U.S. Renal Care

JULY 18, 2023

Panoramic Health forms strategic partnership with San Antonio Kidney Disease Center

AZ-based [Panoramic Health](#) says the agreement with [San Antonio Kidney Disease Center](#) (SAKDC) is its sixth collaboration with a TX-based nephrology practice in the past year. This strategic partnership with SAKDC integrates Panoramic Health's predictive analytics, clinical workflows and holistic care coordination for patients with CKD and ESKD. SAKDC has 20 office locations, operates 30 dialysis centers and has affiliations with 15 hospitals in the San Antonio region.

SOURCE: Panoramic Health

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Nephrology and Dialysis (cont'd)

JULY 13, 2023

Strive Health expands value-based kidney care model into NV with Prominence Health Plan partnership

[Prominence Health Plan](#) provides coverage to commercial businesses and Medicare beneficiaries in NV. Denver-based [Strive Health](#) will coordinate CKD and ESKD care for Prominence plan members at a nephrology practice in Reno. Strive's value-based model includes 24-hour access to a clinical care team of nurse practitioners, dietitians, care coordinators and social workers, while its online platform gathers data to assess a patient's risk of hospitalization or disease progression.

SOURCE: Strive Health

JULY 18, 2023

Evergreen Nephrology forms JV with MI nephrology practice

[Hypertension Nephrology Associates](#) operates clinics at six locations in the Detroit metro area. It'll leverage Evergreen's holistic-care experience, focused on collaborative action between nephrologists, payors and patients. Evergreen says the JV is part of its plan to make personalized, physician-led care the norm for individuals living with CKD.

SOURCE: Evergreen Nephrology

JULY 11, 2023

Evergreen Nephrology names Craig Goguen as CEO

[Craig Goguen](#) previously served as CEO of Emerus Holdings, DSI Renal and was also COO of Odyssey Healthcare. He has extensive experience leading multi-state healthcare service businesses and specializes in building and developing leadership teams. He'll join [Evergreen Nephrology](#) in his new post, effective immediately.

SOURCE: Evergreen Nephrology

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Nephrology and Dialysis (cont'd)

JUNE 30, 2023

Baylor study finds cost of injectable drugs for in-center hemodialysis double that of peritoneal dialysis

Using data from a private insurance database for patients either on peritoneal dialysis (PD) or in-center hemodialysis (HD) between 2017 and 2020, researchers found the average expenditure for injectable drugs in an HD setting was \$20,000 a year. For patients on PD, the annual cost for injectable drugs was halved at \$10,000. The study found patients on HD typically spent more on non-dialysis-dependent outpatient services but less on non-drug dialysis-related services than their PD counterparts. Overall, the annual cost for HD was higher, at \$171,000, versus \$158,000 for PD.

SOURCE: Healio (sub. rec.)

JULY 19, 2023

NKF, ASN say current screening guidelines for CKD overlook high-risk individuals

The National Kidney Foundation (NKF) and The American Society of Nephrology (ASN) express concerns with a [final research plan](#) for CKD issued by the U.S. Preventive Services Task Force. They say the plan focuses on screening only asymptomatic, low-risk individuals, overlooking evidence that supports CKD screening approaches for at-risk populations. One test, for albuminuria, is cited. The plan overstates the utility of the biomarker in hypertensive patients, while up to 60% of individuals with diabetes, who could benefit from albuminuria screening, are denied the test. The groups note many high-risk individuals are from historically disadvantaged and marginalized groups and with limited healthcare access, will have undiagnosed CKD if this plan isn't altered.

SOURCE: The National Kidney Foundation

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Nephrology and Dialysis (cont'd)

JULY 26, 2023

Report suggests healthcare providers have financial reason to get ahead of proposed FTC noncompete ban

Typically, the 40% of physicians who sign noncompete agreements are barred from practicing within a 30-mile radius of their employer for one-to-two years. The FTC is proposing a blanked ban on the contract clauses, saying their elimination would spur competition and reduce healthcare costs for patients by \$148 billion annually. The American Medical Association, which has policies in favor of a ban, says noncompetes restrict patients access to specialists, while the American Hospital Association takes the polar opposite view, stating the FTC is using a one-size-fits-all approach. The point may be moot as several states have bans in place and health providers there adapted. With federal action likely, some providers are trying to get ahead of the game and eliminate noncompetes before the FTC does. There's a financial incentive for providers, as restrictive clauses can impede hiring and impact revenues. Physician search firm Merritt Hawkins estimates an internal medicine physician vacancy equates to lost revenue of \$222,000 a month, while in cardiology, the figure is around \$290,000 monthly.

SOURCE: Modern Healthcare (sub. rec.)

AUGUST 1, 2023

KCP declares CMS' update to proposed ESRD payment rule won't address labor shortage

The 30 organization that make up Kidney Care Partners (KCP) are urging CMS to reconsider the proposed ESRD payment system. The group contends the market basket update fails to account for the inflationary pressures felt by dialysis facilities. KCP suggests CMS adopt a forecast error adjustment to overcome underforecasts since 2019, when the ESRD proposed payment system was rebased. Without a mechanism to mitigate inflation and raise Medicare rates, KCP says dialysis providers can't keep up with the financial demands of labor, equipment and supplies. KCP chair John Butler explains the group wants to work "with the Administration to ensure that these policies improve, rather than undermine, the vital kidney care that patients need."

SOURCE: Kidney Care Partners

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VAC, ASC and Office-Based Labs

JULY 15, 2023

Investigative report uncovers connection between medical device makers, surgeons conducting unnecessary vascular procedures

The New York Times reports the number of atherectomies doubled in the past decade, part of a trend of an increased volume of vascular procedures being conducted. A decade ago, there were virtually no clinics treating peripheral artery disease but there are about 800 in operation currently. It cites two reasons for the proliferation:

1. Medicare incentivized moving vascular procedures out of hospitals and into outpatient clinics to save costs; and
2. Medical device companies like Abbott and Boston Scientific provided financial incentives and expertise to outpatient clinics, while Philips brokered loans.

It's estimated the system is worth \$2 billion annually to all stakeholders, with doctors benefitting not just from their relationships with the device industry, but from getting reimbursed by insurers for each procedure. The NYT found between 2017 and 2021, \$1.4 billion in Medicare reimbursements - about half the total - went to 200 providers. In turn, medical device makers benefit because equipment is regularly replaced and there's a steady stream of repeat customers. The report also suggests the vascular industry faces less scrutiny, noting safety regulations at clinics are less stringent than at hospitals and sanctions for violators tend to be "paltry".

SOURCE: The New York Times (sub. rec.)

JULY 8, 2023

Staffing issues, supply costs main issues facing ASCs

According to Columbia Orthopedic Group CEO Andrew Lovewell, ambulatory surgery centers (ASC) face several challenges as they plan for an uncertain future. Lovewell believes staffing shortages and rising supply costs are among the primary issues that are top of mind for many ASCs. Supply chain issues, in particular, are a major area of concern because it seems some suppliers are taking advantage of the complexity inherent in the current system and marking up prices simply because they can. However, Lovewell believes the federal government can ease some of these issues by loosening restrictions or increasing Medicare reimbursements.

SOURCE: Becker's ASC Review

August 3, 2023

VAC, ASC and Office-Based Labs (cont'd)

JULY 13, 2023

Five recent moves mark direction of ASCs: Becker's

The ASC industry continues its slow consolidation, and there are five recent moves in the space that *Becker's ASC Review* believes is an indication of how the industry is shifting:

- Optum has shifted its focus to physician acquisitions in the last few years and is now affiliated with more than 70,000 physicians, making it the largest employer of physicians in the country;
- Atrium Health and Advocate Aurora Health closed on their formal combination in December, resulting in a newly combined \$27-billion, 67-hospital system called Advocate Health. The deal could signal more transactions to follow for hospitals and surgery centers;
- Envision Healthcare filed for Chapter 11 in May 2023 and recently announced it will lay off 329 employees. The organization is said to have high labor costs and \$7 billion in debt, and it missed a March 31 quarterly reporting deadline and skipped an April interest payment;
- Tenet Healthcare said it would acquire more than 90 ASCs from SurgCenter Development for approximately \$1.2 billion. The acquisition includes an ownership interest in 92 ASCs and the formation of a five-year development agreement to provide continuity for SurgCenter Development's facilities and physician partners; and
- Surgery Partners inked a deal with ValueHealth in 2022 to expand access to high-value surgical care. Through the agreement, Surgery Partners will also manage and assume ValueHealth's interest in three ASCs and four more in development. The move illustrates the Surgery Partners' focus on value-based care and cardiology.

SOURCE: Becker's ASC Review

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and office-based lab experience, or
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